



CO-OPERATIVE FEDERATION OF VICTORIA LTD.

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CO-OPERATIVE FEDERATION OF VICTORIA LTD.

FROM

THE BOARD OF DIRECTORS

OCTOBER 1984

1. THE FEDERATION - ITS FUTURE

The Board met recently in a special meeting to consider Government/Co-operative relations and in particular the future structure and operation of the Federation in the light of the proposal which the Registrar outlined at the Co-operative seminar in June for the establishment of a Victorian Co-operative Council. The suggested composition of that Council, as outlined in the June Report from the Board, is to include 1 representative from each of five different types of Co-operative, 1 Trade Union representative, 3 Government representatives from relevant Departments with the Registrar as Chairman.

The Federation's views on this proposal were set out in the submission made to M.A.C.C. and circulated to all members. These views have been slightly modified.

The Board of the Federation sees no need of reform for reform's sake. Legislation is currently in place to provide the sort of service envisaged from the Council.

The Board sees the function of the Co-operative Societies Advisory Council as the Government body advising the Minister on matters Co-operative, still valid. The structure could be improved to provide a broader Co-operative representative membership than presently exists.

The Board sees the Federation, as the only legally constituted body able to take into membership Co-operatives of all types and corporate structures, as the non-government self-regulatory body of Co-operatives in Victoria able to contract with the Government to undertake meaningful programmes of Co-operative service and development.

Uncertainty and doubt about the Ministry of Employment and Training's role in the Worker Co-operative Development Programme, staff turnover, delays in administering Programme commitments to Worker Co-operatives causing, amongst other things, cash flow problems, all confirm the often expressed view that administration of this type of Programme is a function for an informed professional business organisation, accountable to Government and not bureaucratic control. Nine Worker Co-operatives are in membership of the Federation. A specialised section within the Federation, working with Victorian Credit Co-operative Association and Small Business Development Corporation could adequately cater for this need of Worker Co-operatives and the Victorian Government's commitment to the Programme.

The Co-operative Development Society was formed about 30 years ago with the object of uniting the Co-operative Movement in Victoria. It became the Co-operative Federation of Victoria and continued towards its objective. Today the Victorian Co-operative leaders who initiated that self-development programme can view, with some encouragement, the progress made towards that objective.

Much remains to be done to succeed in fully achieving the objective.

BUT IS THE CURRENT STAGE OF PROGRESS TO BE HALTED TO MAKE WAY FOR GOVERNMENT CONTROLLED CO-ORDINATION?

2. ANNUAL GENERAL MEETING

DIRECTORS

At the 1984 Annual General Meeting the Federation Chairman, Mr. Niel Black, announced the re-election of the three retiring directors returned unopposed. They are -

Mr. Ron Harper	delegate of	Hodja Educational Resources Co-operative
Mr. Brian Macintosh	"	Morwell Co-operative
Mr. Max Rundle	"	Security Co-operative Permanent Building Society

SUBSCRIPTIONS

In accordance with Federation Rule 20 the rate of annual subscriptions for the year ending 30th June 1985 was determined. Members present noted the current rate was set in 1982 and agreed to increase the rate by 10% on the present scale in respect of members whose subscription is based on annual turnover figures.

RULE CHANGES

Two administrative Rule changes were agreed. One, relating to renomination of retiring directors, and one to current Rule 30 listing the business to be transacted at an Annual General Meeting to include 'determination of annual subscriptions' in addition to existing provision of Rule 20 requiring members to pay an annual subscription "as determined by the Annual General Meeting."

DISCUSSION

Members present voiced their appreciation of the services provided by the Federation particularly the specialist advisory services which enabled preventative assistance to be supplied rather than 'fire engine' style rescue measures.

NEW MEMBER

At the October meeting of the Board of Directors the following Co-operative, incorporated under the Victorian (Companies) Code was admitted into membership subject to certification under Section 49 of The Co-operation Act 1981 by the Registrar of Co-operative Societies -

Amalgamated Co-operative Marketers (Australia) Ltd.

The Board has recommended to the Registrar that a certificate indicating ACMAL is 'of a substantially Co-operative character' should be issued.

3. MARKETING OF CO-OPERATIVE COMPANY SHARES

Following representation to the State Treasurer on the statement in the Victorian Government's "Economic Strategy for Victoria" publication that the Government and the Melbourne Stock Exchange was giving consideration to creating a market for miscellaneous securities "such as shares in Producer Co-operatives for which no effective market exists", a meeting was held between Treasury appointed nominees and Federation representatives.

Representing the Treasury were

R. John Magowan, Assistant Director General, Finance
Ralph Lee, General Manager, Stock Exchange of Melbourne
Tim Holt, Deputy Commissioner, Corporate Affairs Commission
Richard Green, Cortis & Carr

Federation representatives

Max Rundle, Immediate Past Chairman
Hans Snelleman, Murray Goulburn Co-operative
Ian Gresswell, Ibis Milk Products
Bill Rawlinson, Executive Officer

One major result from this initial meeting has been agreement from responsible authorities not to take any action which would jeopardise the present position of Co-operatives in relation to Division 9 of the Income Tax Assessment Act without further consultation.

Another result is the study by the Federation of acceptable schemes for Co-operative Companies to organise their capital structure to avoid risks associated with non-active members and voting rights as well as avoiding problems of untraceable members and unclaimed monies legislation.

4. MINISTERIAL ADVISORY COMMITTEE ON CO-OPERATION

This Committee, set up by the Victorian Government, with broad terms of reference relating to structure and operations of the Co-operative sector, Co-operative needs, development of Government policy on Co-operatives, Co-operative legislative amendments, has completed stage two of its task. This means that the information collecting and dissemination stage has been completed. The Committee will now be concerned with analysis of issues, consideration of solutions, preparation of preliminary report which, following the consultation process practised so far in this exercise, will be given wide circulation on comments invited on it. Thereafter a final report will be prepared, submitted to the Government from which amending Co-operative legislation will be drafted.

In addition to the discussions held with Co-operative Companies and Societies in country centres and Melbourne Metropolitan, the Advisory Committee has commissioned a study, being undertaken concurrently with the consultative process, on the resources and needs for Co-operative education and training facilities.

5. EDUCATION AND TRAINING

The next Co-operative Director Training Programme will be held in March 1985.

6. COMMUNITY WORK SOCIETY CO-OPERATIVE

At its October meeting the Board of the Federation received a report from this member Co-operative.

WORCO, operating without any assistance from the Victorian Government's Worker Co-operative Development Programme since 1978, has assisted 150 unemployed persons, provided fulltime employment for 19, assisted a further 15 to find employment as an alternative to receiving unemployment benefit and provided part-time work for 25 persons.

The Board of WORCO deserve congratulations on this positive achievement of a major function of the Worker Co-operative - job creation.

7. WESTERN AUSTRALIA CO-OPERATIVE FEDERATION AND THE AMERICA CUP

The Co-operative Federation of Western Australia has initiated an exciting plan to stage conferences and other attractions during the America's Cup Elimination and Defence series in 1986/87.

The plan, called ACCECC '87 - America's Cup Cultural Expo and Co-operative Conference is designed to involve world members of the Co-operative Movement to encourage business and trade on a national and international basis and to promote exchange of ideas between co-operators.

Two ocean liners have been chartered to provide conference facilities, accommodation and race viewing grandstands, in addition to the first class accommodation of the Perth Sheraton Hotel.

The project has been aggressively marketed amongst Co-operatives in North America and Europe and at the recent Congress of the International Co-operative Alliance.

Co-operative Directors and Managers, here is an historic opportunity to provide incentive to staff and member patronage by reward of taking part in this programme. The yacht racing series is to be held off Perth between October 25th 1986 and February 10th 1987.

8. FOOD CO-OPERATIVES

Food Co-operatives have been operating in Victoria for over seventy years but in recent years the number of informal food buying groups has grown considerably, particularly in the Melbourne Metropolitan area. As part of its Worker Co-operative Development Programme the Victorian Ministry of Employment and Training commissioned a study on this service. The study revealed that the sales volume of these groups is in excess of \$7 million. The study is now looking at the desirability, structure and operations of a Co-operative warehouse of and for service to these groups.

9. THE CO-OPERATOR

The Victorian Government, as another part of its Worker Co-operative Development Programme is providing funds for the publication of 'The Co-operator' - Victoria's Journal of Co-operative Affairs. Contributions from all sections of the Co-operative movement throughout Victoria are sought to ensure the content is fully representational of the broad based Co-operative sector in this State.